

July 2015

## Stevens County

### Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

A total of 14 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Stevens County economy.<sup>1</sup> These 14 sectors have a total direct output of approximately \$244 million and support 530.5 jobs in Stevens County. Running the model for all 14 sectors simultaneously produces the following results:

**Agriculture Contribution in Stevens County**

Impact Type <sup>2</sup>	Employment	% of Total Employment	Total Value Added <sup>3</sup>	% of Gross Regional Product <sup>4</sup>	Output <sup>5</sup>	% of Gross Regional Product
Direct Effect	530.5	16%	\$45,655,548	19%	\$243,981,150	102%
Indirect Effect	323.5	10%	\$20,815,882	9%	\$34,158,043	14%
Induced Effect	79.3	2%	\$5,706,495	2%	\$9,419,517	4%
Total Effect	933.3	28%	\$72,177,926	30%	\$287,558,710	120%

As shown in the above table, agriculture, food, and food processing supports 933.3 jobs, or 28% of the entire workforce in the county. These industries provide a total economic contribution of approximately \$288 million, roughly 120% of Gross Region Product (GRP). As noted below in the calculation of Gross Regional Product, imports and institutional sales are subtracted. Therefore, counties that import a relatively large amount of goods and services will have a reduced GRP which may lead to agricultural output being greater than GRP.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 14 agriculture, food, and food processing sectors is approximately \$72 million, or 30% of the GRP. This indicates that personal income, business income, and taxes generated by these sectors account for 30% of the total economy.

The following tables document the overall summary numbers of the model, top industries affected by employment and output, and a listing of all industries that were analyzed.

<sup>1</sup> Article on building a contribution analysis in IMPLAN that avoids double counting:

[https://implan.com/index.php?option=com\\_content&view=category&id=19](https://implan.com/index.php?option=com_content&view=category&id=19)

<sup>2</sup> Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

<sup>3</sup> Value Added = Labor Income + Indirect Business Taxes + Other Property Type Income

<sup>4</sup> GRP = Final Demand of Households + Governments Expenditures + Capital + Exports - Imports - Institutional Sales

<sup>5</sup> Output = Intermediate Inputs + Value Added

In the top ten by employment, Grain farming is the top employer in the agriculture industry with 248.1 employees. This table also shows the amount of jobs that are created by the agriculture industry in Stevens County.

#### Top 10 Industries Affected by Employment

Sector Description:	Total Employment	Total Output
Grain farming .....	248.1	\$133,281,899
Support activities for agriculture and forestry .....	177.0	\$9,825,114
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming .....	105.6	\$41,994,808
Animal production, except cattle and poultry and eggs .....	55.1	\$8,571,238
Fluid milk manufacturing .....	46.2	\$35,026,375
Wholesale trade .....	39.1	\$8,118,203
Truck transportation .....	33.8	\$5,214,465
All other crop farming .....	28.4	\$5,538,631
Vegetable and melon farming .....	16.7	\$4,935,385
Monetary authorities and depository credit intermediation .....	15.1	\$2,256,212

The Grain farming industry directly contributes approximately \$133 million to Stevens County's economy. This table also shows how much revenue is generated in other industries by having a strong agriculture industry.

#### Top 10 Industries Affected by Output

Sector Description:	Total Employment	Total Output
Grain farming .....	248.1	\$133,281,899
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming .....	105.6	\$41,994,808
Fluid milk manufacturing .....	46.2	\$35,026,375
Support activities for agriculture and forestry .....	177.0	\$9,825,114
Animal production, except cattle and poultry and eggs .....	55.1	\$8,571,238
Wholesale trade .....	39.1	\$8,118,203
Oilseed farming .....	2.1	\$7,124,318
All other crop farming .....	28.4	\$5,538,631
Truck transportation .....	33.8	\$5,214,465
Vegetable and melon farming .....	16.7	\$4,935,385

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture sector and the output they contributed to Stevens County's economy.

[illegible]

All 105 counties in Kansas have IMPLAN models with an agriculture contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Kansas, the retail sector was omitted.